

ARTICLE APPEARING
ON PAGE 22WALL STREET JOURNAL
14 July 1986

Spy Case, Budget Restraints Presage Cooling of the U.S.-Israeli Love Affair

FOREIGN INSIGHT

By ROBERT S. GREENBERGER

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The ardor of the U.S.-Israeli relationship is beginning to cool and the Jewish state may find it more difficult to get all that it wants from Washington.

The two nations' deep-rooted ties will remain strong, but recent events and some changes on the horizon suggest that a golden era in American-Israeli relations is passing. These developments include:

- The scheduled transfer of power in Israel this fall from Prime Minister Shimon Peres, who is perceived here as a flexible leader ready to negotiate peace with the Arabs, to hard-liner Yitzhak Shamir, who many Americans view as far less attractive.

- The recent capture of a U.S. intelligence worker operating as a spy for Israel and alleged efforts to acquire illegally U.S. technology. Israel handled these matters clumsily and embarrassed many of its friends.

- U.S. budget austerity that likely will produce resentment toward Israel as it defends its position as the largest recipient of American foreign aid.

"You could argue that from the time Mr. Peres became prime minister (in September 1984) to early this year was a real high point in U.S.-Israeli relations," says William Quandt, a Mideast expert at the Brookings Institution. "There was a strong desire on the Reagan administration's part to help Peres gain strength. They genuinely preferred him to the alternative and wished him success." But, he adds, "As we get further into this year, it's clear that things have peaked."

Limits to Estrangement

Nobody expects a precipitous decline in U.S.-Israeli relations. Most experts say there is a floor below which this partnership cannot fall. It is formed in part by certain structures in place, such as a free-trade zone agreement, strategic military cooperation, and Israel's eagerness to participate in the U.S. Strategic Defense Initiative. Moreover, there is the powerful influence of America's Jewish community and a genuine admiration among Americans for the Mideast's only democracy. Further, U.S. relations with most Arab states currently are at a low ebb.

But the cooling in the American-Israeli relationship shows itself in subtle ways.

In December, the Senate Appropriations Committee reversed its earlier approval of \$531 million in extra economic aid for Israel. The decision re-

flected budget pressure on the panel, but there also was unstated discomfort about pushing the measure in the aftermath of a highly publicized espionage case involving Jonathan Pollard, a Navy analyst who sold secrets to Israel. Last month Mr. Pollard pleaded guilty to espionage charges.

"Things that are bad news have an effect on the mind set of the Israelis and others in terms of what they'll ask for and fight for," says a pro-Israel member of Congress. "When you're reeling from embarrassing exposures you naturally trim your sails on those things that are on the margin and aren't vital."

Some Israel supporters worry that the downward trend could accelerate when Mr. Shamir becomes prime minister under Israel's coalition agreement. Mr. Peres's Labor Party accepts the notion of trading territory for peace with its Arab neighbors, but Mr. Shamir's conservative Likud bloc opposes plans to relinquish control over the disputed West Bank of the Jordan River.

Negotiating Partner

So far, there has been little pressure on Israel because Jordan's King Hussein hasn't been able to find a willing Palestinian partner for negotiations with Israel. But if King Hussein succeeds in his effort to find an alternative to the recalcitrant Palestine Liberation Organization, Israel could be presented with a proposal that Mr. Shamir would be likely to reject.

"The return to power of Shamir will raise once more important questions about the West Bank and relations between Israel and the Palestinians," predicts Geoffrey Kemp, a Middle East analyst at the Carnegie Endowment for International Peace. "The honeymoon we've enjoyed with Peres, during which strategic cooperation bloomed, may indeed be over," he adds.

At the same time, the espionage cases have made pro-Israeli Americans nervous. Last week, the U.S. began an investigation into charges that Israel illegally acquired U.S. technology to build cluster bombs. There have been several other similar incidents during the past year, including the indictment in May 1985 of a California businessman for illegally exporting to Israel devices that could be used in nuclear weapons. Moreover, there have been criticisms by U.S. officials that Israel hasn't fully cooperated in the investigation of the Pollard case.

This climate suggests that any additional strains could produce tougher times for Israel, following a period of extraordinarily close relations with the U.S. "People are nervous because there are too many (bad) headlines and because Shamir just isn't going to be too attractive," says a Senate aide.